

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 9.18.2018

Original Fiscal Note



Substitute Fiscal Note



SUBJECT: The Director of the Office of Emergency Management (OEM) requests authorization to execute an agreement with the Deer District LLC (ArenaCo) for the provision of emergency medical services during events at the Fiserv Forum arena.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input checked="" type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$66,265
	Revenue	\$0	(\$78,581)
	Net Cost	\$0	(\$12,316)
Capital Improvement Budget	Expenditure	0	0
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
 - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
 - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
 - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
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- A. The approval of the requested action item will allow the Director of the Office of Emergency Management (OEM) to execute an agreement with the Deer District LLC (ArenaCo) for the provision of emergency medical services during events at the Fiserv Forum arena.
- B. Under the terms of this agreement, all EMS services provided by OEM will be reimbursed by Deer District LLC (ArenaCo). This includes costs for salary, social security and medical supplies, in addition to a 20 percent administration fee on all expenditures. The intent of the 20 percent administration fee is to offset indirect employee costs related to employees performing work on this contract, such as payroll services, insurance services, department director time and other typical County costs related to employees. It is not meant to cover health and pension expenses as hourly paramedics are not eligible for these County benefits.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

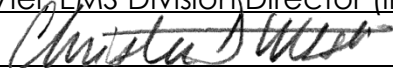
For 2018, assuming 390 supervisor hours, 1,772 paramedic hours and \$1,000 in supplies cost, the County would earn \$58,647 in revenue, of which \$49,437 would be attributable to direct costs and \$9,206 would be attributable to indirect overhead.

For 2019, assuming 1,559 supervisor hours, 7,086 paramedic hours and \$2,000 in supplies cost, the County would earn \$232,172 of which \$195,746 would be attributable to direct costs and \$36,426 would be attributable to indirect costs.

A five-year contract results in total direct expenditures of approximately \$970,000 and total revenues of approximately \$1.1 million for a net tax levy reduction of \$180,000 in the department. Although the net tax levy reduction resides in OEM, it reduces the total tax levy necessary in OEM and allows that tax levy to be used in other departments where indirect employee costs may be incurred.

It should be noted that the County has also provided two AED defibrillators and two Toughbooks which will be used to support this contract for a cost of approximately \$11,600. This reduces the net tax levy reduction to approximately \$168,000.

- C. For 2018, the OEM budget includes expenditures and revenues related to the prior paramedic contract that provided for EMS services at the Bradley Center. Since the terms of the new contract are like the terms of the previous contract, there is no budgetary impact reportable in 2018. For 2019, OEM included 431 supervisor hours and 5,549 paramedic hours related to this contract, for a total revenue of approximately \$151,000. Based on updated estimates, this contract will like result in additional expenditures of \$66,265 and revenue of \$78,581, for a net tax levy reduction of \$12,316 in 2019. Additional years will be budgeted based off contractual terms and prior-year results.
- D. This estimate is based off the department's best estimate of events held at the Fiserv Forum that will require emergency medical services. To estimate the cost of employees related to this contract, it was assumed that they would remain hourly and that they are not entitled to County benefits. Furthermore, since the County does not have a per employee overhead rate, this fiscal note inherently assumes that the 20 percent administration fee is sufficient to cover any indirect employee costs that may be charged in this department and other departments throughout the County.

Department/Prepared By Erik Viel, EMS Division Director (interim), OEM
Authorized Signature 

Did Fiscal Staff Review? ☒ Yes ☐ No
Did CBDP Review?² ☒ Yes ☐ No ☐ Not Required

² Community Business Development Partners' review is required on all professional service and public work construction contracts.